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The Shape of Things

THE BATTLE OF BRITAIN IS ON. THERE NEVER was any mysterious delay. For one of the greatest naval and military attempts of all history a period of preparation was inevitable. Hitler's command had to assemble huge amounts of equipment and men, prepare new landing fields and gun emplacements in conquered territory, organize the plans for a many-sided attack. And at the same time they had to weaken the defenses of the enemy. This "softening" process has been going on since France fell. It has taken the form of steadily intensified pressure, culminating in the mass air raids of the past few days, and an assault on the outposts of the empire, in which Italy is playing its appointed role. The battle is now engaged. That it will grow more furious is certain. Only the outcome is uncertain. Upon the outcome depends the future of the British Empire—and far more. The struggle will determine whether the United States must become a great military power prepared to shoulder the final responsibility for preventing Hitler's domination of the world. The people and the government of the United States watch the Battle of Britain with wonder and a sort of fascinated horror. But they do not act. If a realization of our stake in that battle had really penetrated public imagination, American ships and fighting planes would long since have been in the hands of the British. We haven't learned yet that this terrific engagement is also the Battle of America.

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IL DUCE'S LEGIONS, FAMED FOR THEIR exploits in Ethiopia, Spain, and Albania, are now reported to be overrunning British Somaliland in their first real action in this war. The drive is hailed in Rome as an effort to cut Britain's Red Sea line of empire communications. Actually, it carries no such threat. For the Gulf of Aden is about one hundred miles wide opposite British Somaliland, while the Red Sea is only about fifteen miles wide opposite the Italian colony of Eritrea. If Italy has not been able to interrupt British communications at this much narrower point, control of British Somaliland will hardly improve its chances. Nor is the Italian threat to

Suez to be taken seriously at this stage. To reach the canal Italian forces must advance 600 miles across Egypt from Libya. Two routes are possible: the better one passes along the coast under the guns of the British fleet; the other follows an old caravan track across a desert in which the oases are about a hundred miles apart. Greatly outnumbered and seriously weakened by the defection of the French, British forces in the Near East must reconcile themselves to defensive action. But unless Hitler succeeds in transporting a substantial number of German troops to Italy's African colonies, defense should be possible.

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BRITAIN'S WITHDRAWAL FROM SHANGHAI and Tientsin may have been for the purpose of strengthening its defenses at Hongkong and Singapore. Nevertheless, it constitutes a major victory for Japan's new fascist government. For months Japan has been seeking to oust the British forces on the ground that troops of belligerent powers should not be stationed in neutral Shanghai. The Shanghai and Tientsin concessions have sheltered vast British interests which are now presumably to be surrendered without a fight. The withdrawal of British troops places the small American defense forces in the two cities in an anomalous position. The United States has no part in the Tientsin concession; in Shanghai, where most of our troops are stationed, a Japanese admiral succeeds a British major general as commander-in-chief of the foreign defense units. Yet for us to withdraw our forces would be an open invitation to Japan to take over all Western interests in China, religious and educational as well as commercial. It would also deprive Chinese patriotic groups of bases in the coastal cities. Since the United States must now defend American interests in China without any assistance from the British, it very logically appears to be attempting to improve its relations with the Soviet Union as an offset to Japan's cooperation with the Axis powers. Following the renewal of the Soviet-American trade pact, Under Secretary of State Welles had a second long conference with Ambassador Oumansky, in which the discussion is officially reported to have proceeded "in a friendly and constructive spirit on both sides."

LEADERS OF INDIA'S NATIONAL CONGRESS have exhibited a not unnatural coolness to the "free partnership" offered India by the Viceroy, the Marquess of Linlithgow. The Viceroy's statement revealed that slight, but very slight, progress had been achieved since last October. Dominion status following the war is still held out as the most that India may hope for from the British. As a token of good faith, however, "representative" Indians are to be invited immediately to join the Viceroy's Executive Council, and a wider representation—especially from the Indian States—is to be provided in a newly established War Advisory Council. In addition, the Viceroy gave assurances that representatives from "all elements of Indian national life" would be heard in building the constitution under which India is to take its place as a free member of the British Commonwealth of Nations. While the Viceroy's statement constitutes a complete rejection of the demands of the National Congress for immediate independence, it is not likely to precipitate a violent outbreak such as might have occurred six months ago. The Congress leaders have modified their tactics considerably as a result of recent Nazi and Japanese successes. Given even a slender ray of hope of obtaining their objectives at the hands of the British, they could probably be induced to support the war.

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TREASURY ESTIMATES OF THE DEFICIT TO BE expected in the current fiscal year are going up; estimates of revenue to be received from the pending excess-profits tax bill are going down. The deficit, according to Secretary Morgenthau's latest calculations, will be \$5,700,000,000. The excess-profits tax, in its present form, will pay off only about \$190,000,000 of that deficit this year, or little more than 3 per cent. John Sullivan, Assistant Secretary of the Treasury, testified that the new tax might yield from \$400,000,000 to \$480,000,000 in later years, but disagreed with the Ways and Means subcommittee that it would yield \$300,000,000 this year and \$500,000,000 next. Since the Ways and Means subcommittee is the proud father of this feeble little tax, we suspect that the Treasury estimates are the more accurate. Strangely enough, the great newspapers that usually clamor for a balanced budget are making no outcry against this excess-profits tax bill, which is likely to be weakened even further.

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THE BILL AS IT STANDS ALLOWS FOR THE amortization of defense facilities—whether or not usable for other purposes afterward—in five years, or less if the emergency is declared at an end before the five years are up. The tax rate on excess profits would range from 25 to 40 per cent; a corporation could choose whether to pay on an excess over 4 per cent of its invested capital or on the excess over its average earnings for 1936-39;

average earnings are allowed only up to 10 per cent of invested capital. It has been suggested, moreover, that any deficits incurred during the 1936-39 period be omitted, thus raising the level of average earnings. Concerns with water-bloated capital accounts, such as most of the steel companies, will probably choose to pay on "invested capital," since the word "invested" is not likely to be taken in too literal a sense. Companies which have held down their capitalization may find it to their advantage to pay on the excess over average earnings. If deficits are omitted from the 1936-39 period, or figured at zero, they will profit still further. The Dow, Jones analysis of what the new tax would do to representative big business firms indicates that it is somewhat less than confiscatory. In this analysis the tax was applied in each case to the company's best recent year. On this basis United States Steel would have had a net, after deduction of normal income and excess-profits taxes, of \$89,000,000 instead of \$95,000,000; United Aircraft would have had a net of \$7,447,000 instead of \$9,375,000; General Motors, \$210,500,000 instead of \$238,500,000. Since these estimates are based on the best recent year, it is safe to predict that actual net after deduction of income and excess-profits taxes this year will be much higher. The National City Bank compilation of earnings in the first half of 1940, after all taxes and charges, shows that our 400 leading corporations increased their earnings 58.6 per cent over the first half of 1939.

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THREE GIANTS OF AMERICAN BUSINESS WERE the object of NLRB orders during the past week. Decisions were handed down to protect the rights of workers in Ford's Dallas plant, Giannini's Bank of America, and F. W. Woolworth and Company. The five-and-ten-cent concern was ordered to reinstate 140 workers with back pay amounting to \$200,000. Giannini's bank must reinstate ten messengers and cease discouraging membership in the C. I. O. United Office and Professional Workers. The most shameful case was that of the Ford plant in Dallas, discussed in an editorial entitled *The Ford Reich* in *The Nation* for May 4. Two employees who were run out of the Dallas plant by the Ford strong-arm squad were ordered reinstated with back pay. Ford was told by the NLRB that he must end the use of hired thugs against labor organizers in Dallas, discontinue the plant Gestapo he has used to spy on union workers, stop compelling his employees to contribute to anti-union campaigns, and issue written instructions forbidding his employees to make, store, or carry in the plant blackjacks or other dangerous weapons designed to "discourage" unionism. The process of enforcing these orders will no doubt be a long and costly one. Argument on them will be heard in the Circuit Court of Appeals, and appeal may be taken to the Supreme Court.

Profits Above Patriotism

ALTHOUGH big business has not hesitated to conjure up the most extreme forms of nationalism in defense of the profit system, its own patriotism has been notoriously lukewarm. Britain has never been in greater peril, even in the days of Napoleon, yet its capitalists are intent on squeezing the last possible cent of profit out of its distress. Sir William Firth, recently ousted as chairman and managing director of the \$100,000,000 Richard Thomas Steel Company, has brought to light a scandal in the English steel industry. At the annual stockholders' meeting he charged that the company had obtained a contract to supply steel shells at a price yielding the company the fantastic profit of \$45 a ton. As a result of his protests the price was lowered to \$20 a ton. This may explain why Sir William is no longer managing director. *The Economist* demands an investigation of the financial battle by which the British Iron and Steel Federation obtained control of the Thomas company and now permits it to operate at only two-thirds of its huge capacity. The empire may founder, but British big business holds to its profit margin as if it were—we were about to say a Maginot Line.

The news from Britain makes it easier to understand the attitude of our own defense industries. Secretary Stimson's testimony that the army has been able to sign contracts for only 33 of the 4,000 planes for which funds were appropriated in June confirms I. F. Stone's story on Aviation's Sitdown Strike, of which we publish the first instalment in this issue. Secretary Stimson declared at a Congressional tax hearing that the fault did not lie with the army or with the Defense Advisory Commission and that "the representatives of the industry have been earnest" in their desire to cooperate. Like their British cousins, they seem "earnest" only in trying to make as enormous a profit as they can out of the defense emergency. The amortization question, as Mr. Stone shows, is not a life-and-death matter for industry, though delay may prove a life-and-death matter for the country. "In the last war," C. F. Hughes pointed out in the *New York Times* of August 11, "producers built their own plants and, except for a few final additions, these paid for themselves many times over." The determination of the plane and armorplate companies to take no risk whatever in a great national emergency is truly subversive, and we hope the Senate will take note of it and refuse to join the House in repealing the power granted the Secretary of the Navy on June 28 to commandeer the plants of the recalcitrants. Commandeering a plant will not make it produce without profit, but the mere threat should be enough to make it *produce*.

As serious as the sitdown strike in aviation and armorplate is the situation revealed by Assistant Attorney

General Thurman Arnold. A grand jury in New York City has been investigating charges that German ownership of patents and international cartel arrangements between American and German firms have been throttling American capacity to produce essential war materials. This federal jury is also looking into the transmission to foreign companies of American military secrets under these arrangements and the price restrictions and collusive bidding that grow out of them. Patents are a privilege accorded inventors by our government, and there is no sound reason why this privilege should be extended to foreign concerns, even indirectly, at the expense of restricted production, delays, and higher prices on defense materials. The investigation is aimed particularly, according to Mr. Arnold, at industries engaged in the production of aircraft, naval equipment, electrical supplies, and metal alloys. The German corporations involved include the Krupp steel firm. In several of the industries manufacturing defense products the agreements provide for pooling of American and German patents in one international cartel.

The case of the Bausch and Lomb Optical Company, which came up earlier this year, provides an illustration of the situation. This company had an agreement with Carl Zeiss in Germany for the use of patents for special artillery range-finders, and the agreement affected not only prices here but American ability to compete with German exports in other countries. Bausch and Lomb agreed not to sell outside the United States. In the case of ships built here for use abroad, the American company was to supply the range-finder only with Zeiss permission and at a price agreed upon by the two firms. In case Bausch and Lomb was forced to bid on a contract moving outside the United States, it agreed to mark up its bid 20 per cent and to remit the 20 per cent overcharge to Zeiss if the contract was awarded Bausch and Lomb despite the markup. The American concern first pleaded not guilty and then *nolo contendere* to the indictments against it. A plea of *nolo contendere* is virtually an admission of the truth of the facts alleged.

Our guess is that pressure will be brought on the Department of Justice to call off this grand-jury probe, which is being conducted under the anti-trust laws. The fate of the pending action against the oil industry is important in this connection. Special exemptions from the anti-trust laws to meet specific defense needs may be necessary, but blanket exemptions are another matter. If the oil companies are powerful enough to have the suit against them called off on the plea of national defense, other companies will ask a similar privilege. Should that happen, we hope some Congressional committee will investigate these cartel arrangements. It would be shocking if an inquiry into international-trust practices endangering our national defense were halted on the specious plea that we must do nothing to "rock the boat."

Group Health Is Cheaper

THE greater efficiency of group medicine in comparison with that of the traditional methods so zealously guarded by the American Medical Association is demonstrated indirectly in a study just released by a joint committee of the Twentieth Century Fund and the Good-Will Fund. Five different working schemes for group health protection are subjected to detailed scrutiny. Two of these plans rely on prepayments; two depend on fees and prepayments; and one is supported entirely by an industrial concern. They differ considerably in the amount of service supplied free to patients. All provide the normal services of a physician, but two of the five exclude hospitalization as a free benefit under the plan. Only the plan maintained by the industrial concern provides drugs or appliances free of charge.

Strangely enough, the plan providing the greatest amount of service—that maintained by the industrial concern—proved to be by far the most economical. The cost of this entire service, including physician's and dental care, unrestricted hospitalization, X-ray services, radium treatment, drugs and appliances, and ambulance service, averaged only from \$20.50 to \$21.80 a year per eligible person. Two of the other plans offering much more restricted services cost respectively \$27.90 and \$30 per person. This difference cannot be accounted for by the selection of members or the income groups from which they are drawn since in both these respects the industrial plan was at a disadvantage. The primary factor affecting costs, as revealed by the experience of all five plans, was the number of persons covered. The two most expensive schemes each served about 5,000 persons. The most economical served 51,000. Small memberships tend toward an uneven spread of risks. It is only to be expected, therefore, that the cost of medical service should decrease as the group becomes more representative of the population as a whole. A larger group also assures more satisfactory care. Only where there is a large membership can a group health service afford to employ full-time specialists in such fields as orthopedics, neurology, and psychiatry.

Full comparison between the costs of group care and those of private practice is, of course, impossible. Studies like the National Health Survey and that of the Committee on the Costs of Medical Care have shown that only the very well-to-do have been receiving medical care comparable to that furnished by group medicine, and they have been paying several times as much as the cost of even the most expensive of the group plans. The grossly inadequate medical attention heretofore received by the American people costs, according to the Cost of Medical Care study, approximately \$30 for each man, woman, and child. Adequate care, it is calculated, would cost more than three times as much.

Nightmare in France

BY FRED A KIRCHWEY

THE story I have to tell falls into three parts. The first is the actual present danger of thousands of anti-fascist refugees trapped in both occupied and unoccupied France. The second is the effort now being made to rescue them before they are captured by the Gestapo. The third is a statement of what must be done if any considerable number of these persons are to be saved.

1. *The situation.* The number of anti-fascists in France is unknown. To the thousands of Italians and Spaniards, the Germans, Austrians, Czechs, and Poles that fled there before and during the war, have been added the human detritus swept toward the sea by Hitler's army flowing through the Low Countries and France. The numbers don't matter. They are surely in the hundreds of thousands. But the bulk of the anti-fascist refugees are inextricably mingled with the non-political millions who fled merely to escape tanks and bombers. What will happen to them depends on the greed of the Gestapo. Perhaps the least active and conspicuous will escape notice and ultimately make their way to Britain, if that is still possible, or the Americas. But among them are some—a thousand maybe—who are marked men and women. These are the bold spirits, the active political fighters who never were silenced and never gave in. They include creative writers, journalists, painters—such men as Feuchtwanger and Leonhard Frank, Konrad Heiden, Picasso. If they are not quickly brought out of France, they will be caught. If they are caught, their fate can be imagined. In this mass of trapped humanity is the culture, the wisdom, the democratic faith of Europe—sentenced to death. Each day the hope of reprieve grows less.

Only the other day it was learned that Germans and persons from conquered territories can no longer obtain exit visas from the local French authorities. Applications for exit visas are sent to Vichy, and it is believed the Pétain government submits them to the armistice commission at Wiesbaden. This means not only that applications by known anti-fascists will be turned down; that is certain and only relatively tragic. It means, much more crucially, that every application will reveal to the Gestapo the whereabouts of one of its victims. The result, of course, is that no applications will henceforth be made, since the one hope of safety lies in keeping out of sight till escape becomes possible. Many anti-fascists who have already secured that most precious of all documents—an American visitor's visa—are trapped by this provision.

It has been learned, also, that anti-fascists have already been taken up by the Gestapo in both occupied and unoccupied France. Many German Socialists have been found and seized even in the extreme south. In the occu-

pied area the situation is of course much worse. Exact information has come to hand concerning the arrest by the Gestapo of five prominent Loyalist Spaniards. They are Francisco Crus Salido, member of the executive of the Spanish Socialist Party and a well-known writer; Carlos Montilla, a member of former President Azaña's party and Republican envoy to Cuba; Teodomiro Menendez, Under Secretary of Public Works in the early days of the republic; Señor Alfaro of the Spanish relief organization; and Cipriano Rivas Cheriff, former general consul in Geneva, the brother-in-law of Señor Azaña. These men have been delivered to Franco. Their fate is certain death. In addition, many others—thousands in all—not only Spaniards, but Germans, Czechs, Austrians, Italians, Poles, and Frenchmen—are known to have been seized by the Nazi police.

Those still free are crowded in a few ports and border towns. Few have any means of support. Little food is available even for money. Suffering is growing faster than relief can be supplied; and political exiles must exercise constant caution even in applying for help.

2. *What is being done?* In the United States interested persons are making grim, last-ditch efforts to save Hitler's enemies in France. For a month an Emergency Rescue Committee headed by Dr. Frank Kingdon, in collaboration with the various groups already in existence, has been working to centralize the scattered efforts to get visas and transportation to safety for at least a few hundred known and endangered anti-fascist writers and politicals. All groups are consulting and cooperating actively with the President's Advisory Committee on Refugees, of which George L. Warren is the active, indefatigable head. The work done so far has been laborious and indispensable. *But to this day not a single anti-fascist trapped in France has escaped except through his own efforts or the efforts of his fellow-refugees.*

It is not the fault of the committees which have charged themselves with the task of rescue. Perhaps they could have worked faster or more boldly; but they were forced to improvise methods and organization as they went along, and they have worked hard. The fault lies in the grim efficiency of the fascist terror which systematically closes avenues of escape and in the timidity and procrastination of the governments that should speed the task—our own government is particular.

3. *What should be done.* Groups of determined citizens can assemble information and raise money. They cannot sweep away the technicalities that stand in the way of action. They can struggle to find out the exact whereabouts of anti-fascists in hiding, the names of their parents, their political connections, their professional accomplishments. They can search for friends to provide affidavits. They can urge the need of haste on reluctant, dubious officials. They can even raise money to charter ships for the evacuation of the refugees. But

only the government can modify the rules, permit carefully sponsored anti-fascists to come in on group visas, and bring enough influence to bear on the authorities in France so that ships will be given clearance and refugees will at least be allowed to leave the country in safety. France, it is safe to assume, will agree to any reasonable demand made by the United States. We have much to offer and much to withhold, and we could well afford to bargain for the lives of the best men and women in continental Europe.

A letter just received from a responsible Spanish Republican refugee in Marseilles ends with these lines:

One after another they come—those for whom this city represents a haven—the last!—of hope and salvation. Our inexhaustible optimism is nourished by rumors circulating among the refugees that President Roosevelt has decided to send refugee boats, for which it appears appropriations have already been voted.

To President Roosevelt we send this expression of our profound gratitude. But the boats must not delay! With each passing day our situation becomes more perilous.

Only the young American nation can save us.

I command these words of hope and challenge to the conscience of all Americans, including, above all, the President of the United States. To act with courage would not only save valuable lives; it would serve as a token of democratic solidarity which the world would recognize and applaud.

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Aviation's Sitdown Strike

BY I. F. STONE

I
THE aviation industry is still engaged in a sit-down strike against the national defense program.

The purpose of this strike is to squeeze every possible financial concession out of the federal government. "This is no time," Congressman Barden of North Carolina lectured shipyard workers in Kearny's quickly quashed strike last June, "for labor to try and grab off 10 cents an hour more." No such petty stakes are involved in the aviation companies' sitdown. Their strike has forced the Administration and Congress to lift the profit limitations imposed on airplane contracts only a few weeks ago by the revised Vinson-Trammell Act, and is obtaining amortization privileges that will give aviation greatly expanded cost-free plants when the emergency or the war is over. But these concessions do not satisfy the industry. It is also seeking to block or postpone the enactment of an excess-profits tax. A huge backlog of British orders obtained on the juiciest terms the companies could exact from England's desperate need has provided the funds necessary to feed the industry during its sitdown against our defense program.

"Treason" was the cry of Congressman Cox of Georgia when United States Steel's shipyard employees at Kearny asked a raise of 10 cents an hour. No such harsh accusation has been made against the aviation companies, though plane contracts to the value of \$85,000,000 have been held up by their recalcitrance. Instead, the blame is being placed upon the Administration in a propaganda campaign that is mounting in intensity. The sitdown strike may yet play a part in the coming election, and aviation hopes that its resistance may help to bring in a new President who can be depended upon to grant it everything instead of *almost* everything. It need hardly be added that in all these objectives the aviation strikers are being helped by sympathetic picketing from the other defense industries, notably steel, which is staging a sitdown of its own on armorplate.

Last May the financial editor of the New York *Sun*, appalled by the British excess-profits tax, thought it "difficult for many Americans to understand how Britain can expect anyone to make the tremendous extra productive effort required by war without some stimulus other than the vague one that it is necessary to save the country." Aviation has demonstrated that it agrees with him that a national emergency is too vague a stimulus to call forth its best efforts. The companies which the Nye committee found were helping to build up Hitler's

air fleet in violation of the treaty of peace with Germany are in no hurry to build up our own. Pratt and Whitney, Curtiss-Wright, and Douglas Aircraft were the companies named in the Nye report of April 20, 1936. Pratt and Whitney, Curtiss-Wright, and Douglas Aircraft are among the leaders of aviation's sitdown strike.

The *Wall Street Journal*, which knows its big business men, smelled a scandal of this kind coming a month ago and sent out a staff man to do a series of articles on industry and its relation to defense. It reported "with pleasure" that "these extensive investigations reveal that the armament program is progressing without undue delay and without sound basis for criticism." Its investigator, surely a descendant of Voltaire's *Candide*, found that "American industry is operating with its typical efficiency. If, in the future, delays inherent in the very size and scope of the program come to light, they certainly cannot be laid at the door of a fully cooperating private industry." On the contrary, the *Wall Street Journal* placed the blame on the War and Navy departments, in spite of their readiness to speak for big business before Congressional committees. "The difficulty of getting action out of the government and particularly the Army and Navy departments" was cited as a principal cause for delay. But \$85,000,000 worth of plane contracts cleared by army, navy, and Defense Commission are still waiting for the aviation industry to get into action. Since the President's call in May for 50,000 planes a year the industry has accepted contracts for only \$900,378 worth of trainer planes. *Barron's Financial Weekly*, which cannot be accused of taking too implacable an attitude toward Wall Street, reported in its issue of July 29: "The attitude of some defense industries that they must be assured of a profit is souring many Washington dispositions, even in the pro-business War and Navy departments."

The phrase "assured of a profit" is something of an understatement. No one expects the aviation industry to serve for \$21 a month. The Administration has been more than tender with it. When the National Defense Tax bill was rushed through the House on June 11, a gag rule was imposed to prevent amendments that would tax war profits or excess profits. "The most inequitable tax bill enacted by Congress in the last decade"—the words are Senator La Follette's—lowered income-tax exemptions, imposed a 10 per cent supertax, enacted a long list of special sales and nuisance taxes, but added only 1 per cent to the corporation tax and imposed none

on the mounting profits that industry will soon be drawing from defense. Trouble began when the Senate Naval Affairs Committee on June 18 discovered that the navy, without competitive bidding, had let a billion dollars' worth of shipbuilding contracts on the old World War basis of cost plus 10 per cent. The result was that Congress, just before the convention recess, revised the Vinson-Trammell Act of 1934 to lower profit limits on plane and ship contracts. The limit on the former had been 12 per cent; on the latter, 10 per cent. By the act of June 28 Congress reduced the profit limitation to 8 per cent on the cost of competitively bid contracts and 7 per cent on those negotiated privately. It was at that point that aviation's strike began.

These limitations governed, not the return on capital, but the margin of profit on the contract, and the profit allowed was clear profit. The government agreed to pay the cost not only of the work done but of any additional plant necessary to do the work. If by some chance the contractor failed to make his full 8 or 7 per cent he was to be allowed to make up the deficiency on other contracts during the succeeding four years. These conditions hardly seem confiscatory. The entire industry, nevertheless, lined up at the wailing wall. The *United States News*, edited by David Lawrence, accused the Treasury of harboring "a belief that patriotism rather than a desire for profits should motivate industry." The New Deal seems to have been innocent of any such subversive intention. The *Wall Street Journal* set out to show how ruinous the profit limitations could be: they might affect the raising of funds for expansion; research work would be cut. It applied the profit limits to the year 1939, admitting that the comparison was not quite fair because in that year production was not continuous or at capacity. Even on this basis the figures in the *Wall Street Journal* seemed less than disastrous. On the 7 per cent basis the return on capital for eight major aviation companies would have ranged from 4.3 per cent for Consolidated Aircraft to 28 per cent for Lockheed. Lockheed's high return was due to its high capital turnover in 1939, but all the companies will show a vastly increased capital turnover with the defense program under way. Here are the *Wall Street Journal's* estimates:

Boeing	21.5 per cent
Consolidated	4.3 " "
Curtiss-Wright	9.8 " "
Douglas	18.3 " "
Lockheed	28.0 " "
G. L. Martin	9.4 " "
North American	20.2 " "
United Aircraft	11.2 " "

These rates of profit seem adequate, particularly in a national emergency, to "preserve and strengthen"—we quote from the National City Bank's July bulletin—"the

system of private enterprise." Men in the trenches manage to sustain morale on a lower profit margin.

The bill embodying the new profit limits was signed by the President on June 28. On July 10 he surrendered to the sitdowners. The Administration agreed to drop the profit limits. In addition it promised to enact legislation that would permit companies building new plant or installing new equipment to amortize these additions in five years. This means that 20 per cent of the cost of this new plant or equipment may be deducted by the companies from their income before arriving at the net on which income taxes and excess-profits taxes must be paid. At the end of the five-year period the companies would have plants completely paid off out of the sums received from the government for planes. William S. Knudsen, head of the National Defense Advisory Commission, was jubilant. He emerged from the July 10 conference with the President to say that the tax-and-amortization agreement "would expedite many defense contracts with companies which have been reluctant to undertake such work." The commission announced "the placing of contracts totaling approximately \$100,000,000 since July 1 in a program under which negotiations have been conducted looking to the supply of 25,000 airplanes for our national defense." Louis Johnson, at that time Assistant Secretary of War, sent out a letter asking all plane manufacturers to begin work immediately on the contracts ready for them. He pointed out that the entire program would be delayed at least sixty days if they waited for Congress to enact the Administration agreement into law. It was reported that the letter offered the protection of price revisions later if anything occurred to change the situation.

That the Administration had the power to make good on its promise cannot be doubted. Any Congressman who refused to back the agreement could be accused of sabotaging the defense program. The companies decided to wait. "Although contracts for some 4,000 planes have been drawn and are awaiting signature," the *Wall Street Journal* reported, "it is understood that the industry has declined to accept the business until definite regulations are forthcoming on amortizing new plants. It was generally felt by government officials—after an agreement between Administration officials and Congressional tax leaders that new plants would be amortized over a five-year period and the 8 per cent profit limitation removed in favor of a new excess-profits tax—that contracts could be entered into immediately. However, the industry is reported to feel that it would be unwise to accept new business until exact regulations under whatever new law is passed are made known." The President was still hopeful. On July 16 he announced that replies to Assistant Secretary Johnson's letter "indicated that arrangements are being made now by the companies for tooling their plants to fill the orders, and in some instances they

are proceeding with plant-expansion plans." These indications seem to have been slightly exaggerated.

The Administration surrendered on July 10, but the strike was still on a month later. The excuse was that Congress had not yet written into law the promise made by the President and Congressional leaders to repeal the limitation on plane profits and grant five-year amortization. What really lay behind the continued strike was a struggle over the excess-profits tax. President Roosevelt coupled his announcement that he would back repeal of the profit-limit law with a pledge to impose excess-profits taxes on industry as a whole. The demand of the aviation companies for five-year amortization gave the Administration a bargaining weapon in pushing an excess-profits tax bill through Congress. Those who must pay the taxes naturally preferred a more leisurely pace—no action on excess profits at all, if that could be managed. The strategy of the aviation companies, acting in this respect as a spearhead for a drive by big business, was to sit tight, refuse to build planes, continue the cry for protection on amortization. If amortization could be rushed through Congress in a separate bill, it would be easier to delay or defeat an excess-profits tax.

Closely examined, the amortization issue itself is not a very real one. Under the Vinson-Trammell profit-limitation law, the cost of any additional plant or equipment is included in the contract costs before the profit margin is figured. Without any change in the tax law a measure of protection exists for companies which, for defense purposes, build plants that will be of no use to them in peace time. The Treasury may allow for obsolescence, and a plant can become obsolete because there is no market for its products. Or an allowance can be obtained for the cost of turning it to peace-time uses. There will be a peace-time market for airplanes, perhaps a greater market than ever. If the companies are allowed five-year amortization, they will have cost-free plants with which to build planes when the war is over.

Unless they obtain five-year amortization the risk for the plane companies is that if at the end of the emergency they have no use for the plants, they may have no net income against which to take an obsolescence allowance. The allowance, of course, is an allowance against income or profits taxes. This risk is not very serious, particularly in view of the prices the companies are charging for planes. These should cover at least part of their capital expenditures. But even this slight measure of risk is more theoretical than real in the light of the way in which plant expansions will probably be financed. The case of Wright Aeronautical Corporation will illustrate the financial featherbed on which the companies may be wafted through this emergency.

Any plane company that needs a government loan to finance plant expansion for defense will get it. Wright

Aeronautical is the first to be offered such a loan, and the same terms are available to other companies. Engines are one of the bottlenecks in the plane program. United Aircraft and Wright are the only producers of high-powered air-cooled engines in this country. The government began negotiations last May with the Wright company for the erection of a plant in Cincinnati to build these engines. Originally the Wright company was to be given a loan of \$20,000,000 by the RFC. This was raised to \$55,000,000 on June 20 and on July 26 to \$92,000,000. The interest rate was reported to be 4 per cent. The Wright company was to have an eight-year lease with the right to renew for another eight years. The Treasury ruled that the Wright company could amortize the plant in eight years. The government was to pay the Wright company enough on the engine contracts to repay the loan in eight years. At the end of the eight years the Wright company could renew the lease for another eight years with a cost-free plant, or it could sell the plant back to the government, in which case the government would pay for the plant twice. It cannot be said that under this arrangement the Wright company would be embarking on a speculative venture. But just to eliminate any possible risk the loan was offered as a non-recourse loan, that is, the government would have no claim against the Wright company if it failed to repay the loan. All the government could do in that case would be to take the factory. Since the plant would be financed entirely by the government, the government would really be taking back its own property if the Wright company for some reason wanted to drop it. The amount of the loan also would provide a generous margin of safety for the Wright company. The *Wall Street Journal* reported on August 2 that while the loan was for \$92,000,000, "the cost of the proposed plant and its equipment is understood to be only \$37,000,000 or \$38,000,000." When asked by the *Journal* correspondent about "this apparent discrepancy," Jesse Jones said, "We don't believe it would be in the public interest to break down that total at this time." As this is being written, the Wright contract has yet to be signed. The company is now asking for five-year amortization instead of eight. Incidentally, a vice-president of this finicky company, T. P. Wright, was assigned to the Defense Commission on June 8 to help speed up production. The home office doesn't seem too cooperative.

At the risk of tugging at the reader's heartstrings I want to conclude with the *Wall Street Journal's* analysis of what excess-profits taxes might do to the aviation companies. The joint Congressional committee has recommended a 40 per cent tax on earnings above the average for the years 1936-39. The Treasury wants a sliding scale ranging from 25 per cent of profits over a 15 per cent return on invested capital to 50 per cent on profits over a 30 per cent return. The *Wall Street Journal*

applied the Canadian excess-profits tax to six major aviation companies on the basis of their 1940 business as shown by reports for the first six months of this year. Canada takes 75 per cent of earnings over average earnings from 1936 to 1939. The net profit for the six companies, after deducting a 75 per cent excess-profits tax, would range from a low of 14.37 per cent for Curtiss-

Wright to a high of 53.35 per cent for North American. These are the *Wall Street Journal's* figures, not mine, and the *Wall Street Journal* is not one to underestimate the plight to which a national emergency has reduced the 100 per cent (if they can get it) patriots of the aviation industry.

[Part II of this article will appear next week.]

The War as Revolution

III. AMERICA AND THE NEW WORLD

BY MAX LERNER

ONCE America was the New World. And other peoples had to adjust themselves to the new conditions we had created. But a still newer world has been in the making ever since 1917. In it the initiative was first taken by the proletarian forces of the Russian Revolution, which managed to do the right economic things for the right ends through the wrong political means. Later the initiative was taken from them by the German National Socialist revolution, which managed to do at least the partially right administrative things through the wrong political means and for catastrophically wrong ends. Meanwhile the rest of Europe and America, instead of moving on to a democratic socialism which would do the right things in the right way for the right ends, trembled and marked time. And because of what the others have done and we have failed to do, there is now a new world. America must either take the lead in organizing and transforming that new world or adjust itself to it by some process of appeasement and imitation.

Are we, therefore, part of the Old World? We need not be, fatally. Human history is a curious affair, with no straight-line advance in it and few finalities. It looked, after 1917, as if the field were clear for a revolution of the left, the world over. But a small group on the right in Europe sized up correctly how fluid the situation still was, estimated the resources of strength they could draw upon in terms both of money from above and of hatred and despair from below, gauged with an uncanny exactness the slumbrous smugness of the established order and the fatal splits on the left, and then struck with sharp successive blows at the citadels of power. They replaced a red socialism as the dynamic force in history by a black pseudo-socialism. My premise is—and I think it can scarcely be denied—that the world revolutionary situation is still as fluid now as it was in 1917 or in 1933, perhaps even more so. And my plea is that America must above all avoid sinking back into the

passivity of the Old World, must once more play its part in shaping a new world.

Whether we shall ever have a chance to play that part depends to some extent upon the capacity of Hitler's empire for consolidation and advance. Western thought, in blinders, has all too long assessed Nazi strength as it once sought to assess Soviet strength—by the norms of a capitalist market economy and of a liberal-rationalist intellectual outlook. It must now shift to the cold judgment of survival capacity through a controlled economy, a confident élite, and ruthless organizing genius.

In the short view the picture is, for us, a dark one. The possession of the Low Countries and France and the recent settlement in the Balkans have placed in Hitler's hands vast economic resources that will give him for some time to come the edge in what is, in essence, a war of factories. His difficulty is that it takes time to reorganize the conquered peoples and restore their economic capacity—more time even than it took to conquer them; and time is the one thing he cannot afford to let Britain have. I do not say that there is any immediate chance of Hitler's defeat. Only a British-Soviet-American alliance could compass that, and such an alliance would be politically feasible only after it had become too late from a military standpoint. I do say that Hitler must for several years to come face economic chaos and potential famine in the territory he has occupied but been unable to organize. And he must face this in particularly acute form so long as the British keep proving that their island fortress is from a military standpoint tenable, and so long as the British navy maintains from that island fortress its blockade against continental Europe.

That is the basic reason why Hitler must, through war or peace, break British resistance. Those who argue, like Lindbergh, that America can offer honorable peace terms in Europe do not reckon with this fact. Nor do they reckon with other facts. The Nazi economy is unstable as a capitalist economy unless the surplus profits con-

tinue to be absorbed in armament production. And even if this were not so, Hitler's Napoleonic dream would keep him moving on. Unless, then, he can break the British blockade he cannot ward off famine in his territory, reach the Latin American products that his people need or the markets that his capitalists need, or fulfil his own megalomaniac vision.

The capacity of Hitler's empire to survive must therefore be assessed in long-run rather than short-run terms. And in the long perspective the picture looks, for us, not nearly so dark. Hitler has not yet won completely. If Britain, with the increasing aid of American factories, can manage to hold out against him over the span of several years, then Hitler will face problems of increasing tension within his own empire. The economic contradictions the world over which made his rise possible will begin to operate against him. Unless he wishes to face panic conditions among his people he will have to turn a good deal of the productive energy of his economy to food and other necessities instead of to war machines. If, as is likely, he chooses to maintain a decentralized administrative system in which France, Holland, Norway, and the rest remain as economic units rather than to attempt to weld them into a single continental economy, he faces problems of persisting nationalism which may prove fatal to him at his first moment of weakness. But his crucial difficulty is that before long he must come to a reckoning with his capitalists, when they confront the question whether they will continue to allow the state to forge into armaments their mounting accumulation of profits. And then Hitler will have to face the alternative of unused capital surpluses with their attendant unemployment, or an effort at outright socialism with its attendant class struggles.

The aim of American policy should be dual: to join with others, outside the limits of actual warfare if possible, in drawing this iron circle of necessity around Hitler, so that he will face the consequences of the revolution he has started; and meanwhile to take the lead in organizing the rest of the world on the basis of a real democratic revolution of our own. In the end, even partial success in the second aim would cut the ground from under Hitler's revolution.

In this effort we must first of all know our potential allies. They are Britain (but only the new Britain of the Churchill-Labor government), the rest of the British Commonwealth (and what still untapped resources for democratic expansion are there!), the Soviet Union, China, Latin America. This offers a daring perspective, but only daring perspectives are worth anything in this hour of crisis. It means the attempt to reconcile diverse and even hostile national traditions and social systems, linked only by common danger and opportunity.

Does this present an impossible task? I can only say

that if it is impossible, nothing short of it is possible. The very scope of the perspective is one of the essential things about it. Nothing will succeed now except what would formerly have been deemed grandiose. One thing that Hitler will have accomplished is to have forced us to change the scale of our international thinking and planning. We must today in America think in terms of India and Australia, of Russia and China, of Canada and Chile. Realists have laughed at Clarence Streit's plan because it covered so much ground. They were wrong. Its trouble was that it did not cover enough ground. It was Europe-centered, and within Europe it was democracy-centered; and European democracy crumbled under Streit's fingers even as he wrote. And internally it worked on too formal a level, mapping legal structures, seeking to preserve the status quo instead of to transform it.

If we abandon our piddling pragmatisms and our formal world-democracy patterns we may be able to face the central fact of America's relation to the new world. That fact is that if we do not take the lead in organizing the new social order, it will be left for Hitler to organize. I do not accept the Beard thesis, echoed now by Lindbergh, and whoever is behind him, that every effort on the part of America to play a world role must be frustrated. Beard, as a historian and a democrat, speaks out of the bitterness of disillusionment with his former Wilsonianism; Lindbergh, ignorant of both history and politics, speaks only out of a vague dislike for democracy and an even vaguer pan-Aryanism. I should not juxtapose their names if it were not that the argument against an affirmative foreign policy comes from both protagonists and enemies of democracy within America.

It is not a valid argument. If it is based on the failure of Wilsonianism in foreign affairs one might reason similarly that because of the failure of Wilson's New Freedom the New Deal, which is to a great extent patterned after it, should also be abandoned. I urge a bold American leadership in world affairs for the same reason that I urge a bold American effort toward a democratic collectivism at home—because *laissez faire* in both areas has proved catastrophic. But in foreign policy, as in domestic, half-measures are the very devil. It would be better to leave things alone in both than to tinker with both irresolutely. If we are to act at all, we must make it clear that America is very much on the offensive. We must make it clear that we accept, without any illusions as to its difficulties, the necessity for doing what we can to organize the phalanxes of democratic effectiveness and human dignity everywhere. Those phalanxes will not organize themselves. They need the assurance of action with what is still potentially the strongest economic unit and the freest political unit in the world.

I am not talking now of a world federation or of a military alliance. Those are not the realities today, al-

though they may become so when the world is in either a much better or a much worse state. I am talking of close economic cooperation, of friendlier cultural relations, of a unified morale. Out of these may flow eventually that common foreign policy which alone can "stop" Hitler, in the sense of forcing him to face the realities of his own economic and social system. In such a task we shall not be alone. "The peoples of Europe," declared the *New Statesman* in London, "know . . . that the French capitulation has closed an epoch of history and they ask themselves anxiously, 'Is the battle now between Hitler's New European Order and the Old British Empire?' Or is it, as they desire but hardly hope, between the lords of the Third Reich and the protagonists of European revolution? On the answer to that question hangs the issue of the war and the fate of these islands." But beyond the outcome of the war and the fate of Britain, the same question is being asked now, ever more articulately, by the peoples of the whole world about Hitler's New World Order and America as a revolutionary force.

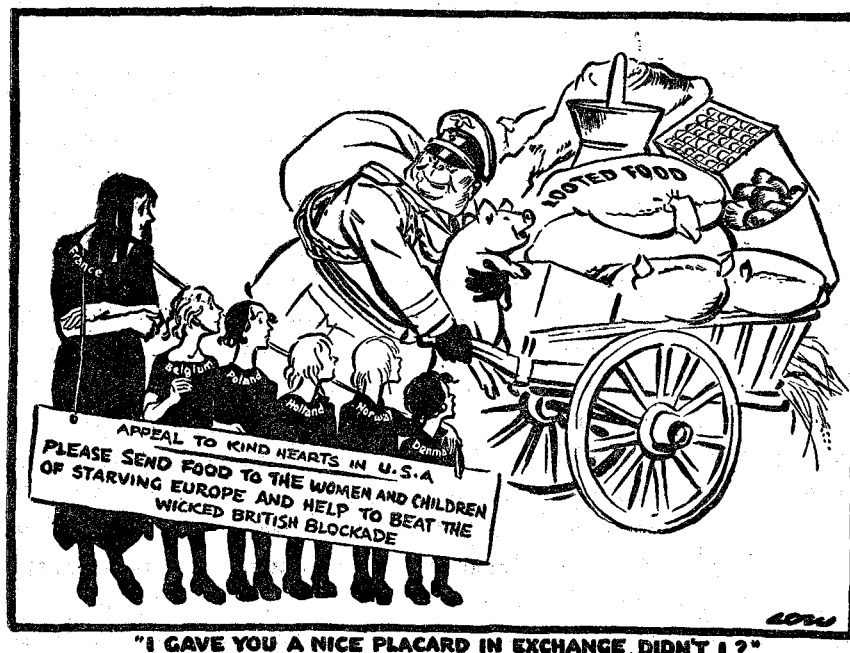
Britain, with its back to the wall, has already carried through a more far-reaching transformation toward a revolutionary democracy than would have been thought possible a year ago. That does not mean the change has gone its full length. Labor is still on the margin of power rather than at its center. Economically the government exercises strategic controls but has not yet learned how to plan. There is still the paradox of more than three-quarters of a million unemployed when every man and woman is needed for the national effort. The forces of appeasement are still in the Cabinet. What England needs is the encouragement of our aid and the challenge of our own democratic forces to go farther. The British dominions will follow the lead of Britain and America, and we may for the present be in a better position to coordinate their economic efforts and strengthen their morale than even the British. China needs little enough aid to go on with its amazing resistance to Japan, but it needs that little very much.

The central problems are the Soviet Union and Latin America. Toward the latter we have made all manner of obeisances—although not always of the right sort, as I shall indicate later. Toward the former we have preserved a frigid hostility. I do not want to argue at this point the abstract question of whether all the totalitarianisms should be lumped together. In concrete terms every plain American and Englishman and even Mr. Roosevelt and Mr. Churchill know that the enemy of

democracy today, the dangerous expansive force in the world, is not the Soviet Union but Nazi Germany. And they should know also that if they succeed in throwing Stalin completely into the arms of Hitler, the democratic effort in the rest of the world is either wholly lost or can survive only after generations of protracted war and chaos. If we make our plans without Russia we shall find it in the end against us. If we followed our vision and not our blindness there would be today in Moscow side by side with Stafford Cripps an American envoy who could talk the language the Soviet ruling group would understand, and would lead the way in sinking mutual distrust in the common danger. This is not a counsel of political cynicism. It is a plea for a perspective toward America's position in a hostile world that will recognize that hostilities are relative.

I have said that America must assume a world leadership in economic cooperation, cultural relations, humanist morale, a common anti-Nazi foreign policy. But America is an abstraction. What sort of America? And who in America?

The first question would require another series of articles for an answer. Here I can only briefly indicate the steps we must take to give leadership to the world by example. (1) Aid to Britain, to the full extent of our factories and our economic man-power. This aid should be and can be "short of war," and we need not worry about Hitler interpreting it as an act of war. He could not hate us more than he does already; and whatever we do he will wage against us the fullest war of which he is capable. (2) A vigorous prosecution of the national defense effort, but not under the slogans of business and profits as usual. A defense program can succeed only if it moves in its basic direction toward a socialized economy, and if it provides for the indispensable requisites of a planned military machine which is an organic part



"I GAVE YOU A NICE PLACARD IN EXCHANGE, DIDN'T I?"

of a planned economy. (3) A management of this defense effort which provides for labor's rights by giving labor an important share in the administration, as Britain has done. (4) A realistic attitude toward the question of national unity, civil liberties, and fifth columns. (5) A heroic collective effort to grapple with the problem of unemployment and insecurity through a program of government spending for living standards as well as for armaments, and through new strategic controls of the economic system. (6) Continued progress in the administrative revolution which has already put within our grasp a better apparatus for economic control and planning than any other democracy has—if we know how to use it. (7) A policy toward Latin America which has some chance of success. Here especially much more analysis is required than space permits. I can only say that the President and the State Department do not yet seem to have recognized that we cannot move toward a hemispheric economy of the Americas unless we strengthen governments, such as those of Mexico, Chile, and Colombia, which are genuinely democratic, and put pressure upon the others to give greater scope to their internal democratic forces. The ruling groups in most Latin American countries lean toward Hitler more than toward us. It is the plain people for whom Roosevelt has become a symbol of a fighting democratic world force. And I must also add that the cartel plan is dubious and full of dynamite. (8) A vigorous fight against the

groups within America who would appease Hitler, and a recognition that appeasement abroad is closely linked with reaction at home. (9) The reelection of Mr. Roosevelt, and pressure upon him to extend the New Deal effort.

There remains the question of who in America is to take the leadership and carry the burden of a program of this sort. The answer is only partly in terms of Mr. Roosevelt, Mr. Wallace, and the New Deal. We must of course start from where we are if we are to move forward. But move forward we must to the creation of a new administrative group in our economy, our government, our labor movement, even our defense forces. If the present leaders will make the start they will get the necessary accessions of strength from those whom Ralph Ingersoll, in a brilliant *PM* editorial, has called "the Kids." Out of them—the young workers, farm boys, college boys, journalists, youngsters in business and politics—we can create a new democratic governing group who will be as ready for sacrifice as the Germans are, and who will be more effective because they will be working in a new context of the career open to talent. Only we must make it clear to them that while the job will tax their every energy, they have a world to win.

And that world, as I have said in an earlier article, is one of collectivism in economics, democracy in politics, planning in administration, and humanism in culture.

[*This article is the last in Mr. Lerner's series.*]

Final Warning to America

THERE is no need to despair of our present position, however hopeless it may seem. For that which is worst in the days that are past is just what affords the best assurance for the future. And what is that? It is that your affairs are in this evil plight just because you, men of America, utterly failed to do your duty; since, surely, were you so placed in spite of every effort on your part it would be hopeless to look for improvement.

Alliance and respect are willingly offered by all men to those whom they see ready and prompt to take action. And you too, if you are willing to adopt this principle, now if never before, if each citizen is willing to throw off his diffidence and serve the state as he ought and as he best may, if, briefly and plainly, you will consent to become your own masters, and if each man will cease to expect that while he does nothing himself his neighbor will do everything for him, then, God willing, you will recover your own and you will be able to turn the tables upon Hitler.

Do not believe that his present power is fixed and un-

changeable. No, he is a mark for the hatred and fear and envy even of those who now seem devoted to him. One must assume that even his adherents are subject to the same passions as any other men. At present, however, all these feelings are repressed and have no outlet, thanks to your indolence and apathy.

For observe the height to which the fellow's insolence has soared: he leaves you no choice of action or inaction; he blusters and talks big; he cannot rest content with what he has conquered; he is always taking in more, everywhere casting his net round us while we sit idle and do nothing. When, Americans, will you take the necessary action? What are you waiting for? Until you are compelled, I presume. Even if something happens to him, you will soon raise up a second Hitler if that is the way you attend to your affairs; for even this Hitler has not grown great through his own unaided strength so much as through our carelessness.

If anyone mistakes for peace an arrangement which will enable Hitler, when he has seized everything else, to march upon us, he has taken leave of his senses, and

the peace that he talks of is one that you observe toward Hitler but not Hitler toward you. That is the advantage which he is purchasing by all his expenditure of money—that he should be at war with you, but that you should not be at war with him. If we are going to wait for him to acknowledge a state of war with us, we are indeed the simplest of mortals.

We have no choice in the matter, but there remains the most righteous and most necessary task of all: to defend ourselves against the aggressor. Or perhaps the advocates of appeasement mean that if Hitler keeps his hands off the United States and the Caribbean, he is neither injuring us nor provoking hostilities. But if they ground their plea upon this principle, if this is their interpretation of peace, it is obvious to all that their argument is assuredly impious and intolerable and dangerous. I need not tell you that Hitler owes his successes to nothing in the world more than to his being the first in the field. For the man who always keeps a standing army by him, and who knows beforehand what he wants to do, is ready in an instant for anyone that he chooses to attack, while it is only after we have heard of something happening that we begin to bustle about and make our preparations. Hence, I believe, it results that Hitler quite at his leisure keeps whatever he assails, while we are too late, and whatever we have spent has been lavished in vain; we have succeeded in showing our enmity and our will to thwart him, but by being too late for action we only incur additional ignominy.

What, then, ought we to do? I will give the fairest and truest answer: *not what you are doing now*. I will not, however, shrink from going carefully into details; only you must be as willing to act as you are eager to question. First, you must fix this firmly in your minds, that Hitler is at war with us and has broken the peace. He is ill-disposed and hostile to the whole country and, I will add, to every man of us, even to those who imagine that they stand highest in his good graces. If they doubt it, let them look at the fate of appeasers elsewhere who thought they were his bosom friends and then, when they had betrayed their fatherlands, met the most ignominious fate of all.

The chief object, however, of his arms and his diplomacy is our free constitution. On nothing in the world is he more bent than on its destruction. For he knows that even if he masters all else, his power will be precarious as long as you remain a democracy; and if ever he meets with one of the many mischances to which mankind is liable, all the forces that are now under restraint will be attracted to your side. Therefore he does not want to have the American tradition of liberty watching to seize every chance against himself.

Seeing that Spain and Scandinavia are ruled by dictators and that France and, I might also say, all the world are now being seduced into this form of slavery, I am surprised that none of you conceives that our constitution

too is in danger, or draws the conclusion that if all other states are organized on dictatorial principles, it is impossible that they should leave your democracy alone. For they know that none but you will bring freedom back again, and of course they want to destroy the source from which they are expecting ruin to themselves. Now all other wrongdoers must be considered the enemies of those only whom they have wronged, but when men overthrow constitutions and change them to dictatorships, I urge you to regard them as the common enemies of all who love freedom. Then again, Americans, it is right that you, living under a democracy, should show the same sympathy for democracies in distress as you expect others to show for you if ever—which God forbid!—you are in the same plight.

This, then, is the first thing needful, to recognize in Hitler the inveterate enemy of constitutional government and democracy, for unless you are heartily persuaded of this you will not consent to take your politics seriously. Your second need is to convince yourselves that all his activity and all his organization is preparing the way for an attack on us, and that where any resistance is offered to him, that resistance is our gain.

But, alas, ours is the one country in the world where immunity is granted to plead on behalf of our enemies, and where a man who has been bribed can safely address you in person, even when you have been robbed of your own. Indeed, of these politicians, some who were beggars are suddenly growing rich, some unknown to name and fame are now men of honor and distinction; while you, on the contrary, have passed from honor to dishonor, from affluence to destitution. For a country's wealth I hold to be allies, credit, good-will—and of all these you are destitute. Because you are indifferent to these advantages and allow them to be taken from you, Hitler is prosperous and powerful and formidable while you are deserted and humiliated, famous for your well-stocked markets but in provision for your proper needs contemptible.

What are we to do? We must make provision for our defense. I mean with ships, funds, and men, for even if all other states succumb to slavery, we surely must fight the battle of liberty. Then having completed all these preparations and made our purpose clear, we must lose no time in calling upon the other Americas, and we must inform them by sending ambassadors so that if we win them over we may have someone to share our dangers and our expenses when the time comes, or if not, that we may at least delay the course of events. I contend that we must send supplies to the forces in Britain, and while we make preparations ourselves, we must summon, collect, instruct, and exhort the rest of the Americas. That is the duty of a country with a reputation such as yours enjoys. But if you imagine that the United States will be saved by Britons or Brazilians

while you run away from the task, you are wrong. For they may think themselves lucky if they can save themselves separately. *This is a task for you.* It was for you that your ancestors won this proud privilege and bequeathed it to you at great and manifold risk. But if every man sits idle, consulting his own pleasure and careful to avoid his own duty, not only will he find no one to do it for him, but I fear that those duties that we wish to shirk may finally all be forced upon us at once.

At present our system is a mockery, and I do not believe that even Hitler himself would pray that America might act otherwise than she is doing. You are behind your times and waste your money; you look round for someone to manage the business and then quarrel with him; you throw the blame on one another. Never yet have you instituted or organized a single plan of action properly at the start, but you always follow in the track of each event, and then, when you find yourselves too late, you give up the pursuit; when the next event occurs, you are again in a bustle of preparation. But that is not the way. If anyone thinks that a different course means great expense and much toil and worry, he is quite correct, but if he reckons up what will hereafter be the result to America if she refuses to act, he will conclude that it is to our interest to perform our duty willingly. For even if you have the guaranty of God—since nothing less could be a satisfactory surety for such an event—that if you remain inactive and abandon everything, Hitler will not in the end march against you, it would still be disgraceful and unworthy of you and of the resources of your country and the record of your ancestors to abandon all others to enslavement for the sake of your own ease, and I for one would rather die than be guilty of proposing such a policy. If you prefer a different course you must needs bear in mind that this will be a life-and-death struggle, and the men who have sold themselves to Hitler must be crushed; for it is impossible to quell the foes without until you have punished the foes *within your gates*, for if you let these stand as stumbling-blocks in your path you must fail against the others.

[*These words were spoken to the Athenians in a series of addresses between 351 and 340 B. C. by Demosthenes in warning against Philip of Macedon. The translation is that of J. H. Vince (The Loeb Classical Library, G. P. Putnam's Sons, 1930). The excerpts are taken from the First, Second, and Third Philippics, and from the orations "On the Affairs of the Chersonese" and "For the Rhodians," all of which merit rereading in toto. Nothing has been changed in the phraseology save the names of persons and places. The Athenians failed to heed Demosthenes until it was too late. Athenian democracy and the entire Greek state system were destroyed by the Macedonian conquerors.*—FREDERICK L. SCHUMAN.]

In the Wind

A NEW YORK PLAYWRIGHT recently called the Columbia University Placement Bureau. She wanted a typist to copy a play she had just completed on religious tolerance. The voice at the placement bureau inquired cheerily, "And I suppose you want a Christian?"

WINSTON'S SIMPLIFIED DICTIONARY carries this definition and example for the adjective "substantive": "Independent; existing independently and separately; self-sufficient; having its own individuality; as, France is a substantive state."

A GERMAN JEW, so the story goes, recently met an American Nazi. The Nazi didn't know that he was speaking to a refugee and complained freely: "I'm a German, I've been here twenty-one years, and now I'm thrown out of my job just because I'm German." The refugee answered: "We were thrown out of our positions after two thousand years—just because we were Jews."

A GROUP OF Wall Street bigwigs held a private "moral rearmament" dinner not long ago. About sixty were present. All the Buchmanite trimmings were there, plus, this department learns, a pronounced pro-fascist undercurrent.

IT DIDN'T GET much notice, but there was a baseball strike recently. It occurred in the "Class C" Salisbury League. Players refused to budge from their rooms unless their stipends for meals were increased. They won.

THE CONSERVATIVE San Francisco *Argonaut* recently reported (inadvertently): "Tom Rolph has filed on both the Republican and Democratic tickets . . . he is president of the Rotary Club and has served as financial chairman of the Communist chest."

BISHOP KARL J. ALTER of the Toledo diocese a few weeks ago urged the establishment of "Christian corporatism," modeled after "Portugal and Spain and now the new France." Shortly afterward the A. F. of L. picketed the Toledo cathedral in protest against the employment of non-union men on interior decorations. A. F. of L. officials pleaded with Bishop Alter to employ union labor, but he refused to yield.

CATECHISM FROM *Facts in Review*, Nazi propaganda organ: "Q. Does the German press follow uniform lines, suppressing the personality of the reporter? A. Nonsense. The German journalist is not a commercial employee and is not obliged to hunt for spot news. He serves his nation. At daily government press conferences he receives all the news necessary for his work. There is no journalist in the world better informed on his country's policies."

[We invite our readers to submit material for *In the Wind*—either clippings with source and date or stories that can be clearly authenticated. A prize of \$5 will be awarded each month for the best item.—EDITORS THE NATION.]

A Native at Large

BY JONATHAN DANIELS

FOR the very good reason that it is almost impossible to see anything else, the travel agencies are saying that this is the year to see America. And it may be as good a year as any other. All sorts of trips are available, from those you can get for a thumb uplifted on the roadside to the most elaborate peregrinations in the most protected opulence. I think I would rather have gone with the boys and girls from Antioch College, and I know I should be more interested in their seeing than in what they saw. It is very serious business with them. They are to get college credits for the ride. They went by truck from Yellow Springs, Ohio, to Lewiston in Maine, to New York and Washington—where they talked to the experts—then to Anniston in Alabama.

I know what they saw. I have been over those roads. I have watched French Canadians put shoes together in Lewiston-Auburn, and I have seen old-stock Alabamians making chemicals and iron pipe in Anniston. What I should like to know is what the big triangular trip—Ohio to Maine and Alabama—added up to for such students, and what were the processes which made the picture in their heads of the North-South they saw. On such a journey what they took with them was probably more important than what they found. One thing I hope they took is a respect for higher standards in human life.

I hope the professors who planned the tour will pardon me for saying so, but I doubt that Lewiston is what the North means in this land, and I would seriously question that Anniston (Annie's town) is entirely representative of the South. Between them undoubtedly, however, much of America lies. I question not the journey but the destinations. Maine may not like it any more than Alabama, but both of them have a part in the same pull of poor states on the rich industrial areas—of low standards on higher ones.

The Mason-Dixon is not the only line which runs across the older regions of America. Below it is an old agricultural region crowded with people who in this time are increasingly in need of industrial jobs. Another line like it runs straight across the northern border of Massachusetts to split little New England into littler sections, one-half crowded with factories and the other seeking in the increasingly difficult agricultural economies of Maine, New Hampshire, and Vermont for a share of the jobs factories provide. A little investigation will show that while New England has been crying aloud at the South's grabbing for industries with promises of cheap

labor and low standards, there has been perhaps more grabbing right in the middle of the family of the six little states. If Mississippi at this moment has been practically abandoned by the labor movement, so far as advance is concerned, it was not long ago that an important Maine voice cried, "It ought to be as impossible to fine and imprison Maine employers under a federal law as to send in a German army to take Maine over."

That is not all. Though Lewiston-Auburn—the towns are actually one with only the Androscoggin River between them—had a native industry of its own long before Anniston was founded by an iron company, today important absentee interests are factors in both of them. The United Shoe Machinery Corporation, as far as I know, owns no shoe factories, but under its leasing system it has facilitated the flight of little shoemaking companies from the strongly unionized shoe towns of Massachusetts, a process which was involved in the angry strikes of 1937. Anniston has had more peace, but "the soil-pipe capital of the world" also has large absentee control in the big Monsanto chemical works.

Close to Lewiston is old Maine, and Calhoun County around Anniston is old-time cotton country. Back of both of them, too, are people on difficult lands who need jobs and cannot get them. Down in black counties below Anniston and up in worn white Washington County in Maine—where Passamaquoddy was a promise which at last only added to pain—are the same Americans in the same tragedy, both pressing on what seem to be the much richer lands between. The young people from Antioch undoubtedly have seen differences in the people in the high North and the deep South. A blind man can see them. But there are tragic similarities also.

Sometimes it seems that, North and South, the oldest Americans are in the deepest difficulties. Both of them are pressing on a new changed America in the greater richness of which both mean to share. Until they do, no standards of security in the lands between will be safe. What all of us must learn from riding those American roads is that Maine and Mississippi both mean to eat. Maybe they should have more respect for the standards of the safer states. Maybe, as union leaders and industrialists say together, they are backward. I think they are determined to be backward until they get a chance to be forward, not merely as a moral position, but as an economic fact. I hope the Antioch children will not blame them for that.

BOOKS and the ARTS

Leadership and Democracy

THE AMERICAN PRESIDENCY: AN INTERPRETATION. By Harold J. Laski. Harper and Brothers. \$2.50.

IT IS difficult to imagine circumstances that would make Mr. Laski's book more timely. What previous campaign for the Presidency fell in a year that had witnessed and was due to witness more fateful events? Popular government has almost vanished from Western Europe. England has its back to the wall. Our country faces an uncertain but on the most hopeful view an exceedingly grim future, and our plans for action are shadowed by the approaching assembly of the electorate to make a free choice to the most powerful elective office in the world.

Mr Laski's interpretation of the Presidency is worthy of the importance of his subject. He takes a large view of the role of the President and does not subdivide powers and functions in the botanical fashion of academic treatises. The President and his Cabinet, the President and Congress, and foreign relations are the only divisions of his analysis. He has full sweep to demonstrate his amazingly wide acquaintance not only with the literature of American history and politics but also with the illustrative detail that can be acquired only by observation over a considerable period—in Mr. Laski's case nearly a quarter of a century. He thus is able to see our politics alive. His vision is never myopic. On the contrary he sometimes seems too farsighted as when, for example, referring to President Roosevelt's appointments, he speaks of his "ability almost intuitively to recognize the efficient human instrument for his purpose."

The underlying thesis of Mr. Laski's interpretation is not novel, but it cannot be restated too frequently, and he puts it epigrammatically and convincingly. A great democracy needs leadership which can come only from the executive. "An assembly as miscellaneous as the legislature is bound to be cannot organize itself for creative action." If the President is a genuine leader, Congress is forced to play a minor role and resents its subordination. If the President is weak, Congress is dominant but only in a negative way. There is a sedative on thought, and action lags. The elected representatives of the people should be content to have the President a real leader, let him have the power he needs, and then devote themselves to scrutinizing the way in which the power is used and by criticism taming its possessors.

Who challenges this analysis? Few other than certain members of Congress and the political opponents of any virile occupant of the White House. But even they do not dare to issue their challenge when the times are really critical. Woodrow Wilson's "Presidential dictatorship" was not an issue until the war was won. Franklin Roosevelt's enormous powers were not inveighed against until the hundred days were over. In the latter case, at least, the reaction came not only because the emergency was less acute but because of inattentiveness to administration which gave Congress grounds for believing that those to whom great powers had been trans-

ferred were not sufficiently mindful of the fact that they had great responsibilities as well. Too few in Washington heeded Sir Henry Taylor's profound remark, which Mr. Laski has long known and frequently quoted: "Wise men have always perceived that the execution of political measures is in reality the essence of them."

Nowhere does Mr. Laski conceal his great admiration for President Roosevelt. It is an admiration rarely tintured by the suggestion of any imperfection. If the country had a President who came from the right, who was a real leader, and if Congress followed him in undoing much that has been accomplished under Mr. Roosevelt, Mr. Laski should—and I think would—still maintain his thesis. This prevents his brilliant book from being simply a tract for the times—a political pamphlet arguing for the prolongation of the New Deal. It is at bottom a sound piece of political analysis and will be cited long after present politics have become history.

An important corollary of Mr. Laski's thesis is that, separated from the legislature and unable to rely on the instrument of party discipline, a President, to get his way, has to devote an excessive amount of attention to "the politics of maneuver" instead of confining himself to "the politics of policy." In this respect the British and American systems of government seem to present sharp contrasts, which, however, are greatly softened as Premiers and Presidents decide how they wish to play their roles. No one would maintain, for example, that the antepenultimate and the penultimate occupants of the British Premiership—Lord Baldwin of Bewdley and Neville Chamberlain—had not frequently put maneuver above policy. Indeed, Stanley Baldwin admitted to the House of Commons that he had been unwilling to tell the British people the truth because he was afraid that he might lose an election. During his first six years Woodrow Wilson was little given to maneuver, and his first important mistake was the call for the election of a Democratic Congress in November, 1918. Nor would all President Roosevelt's admirers argue that he had profited greatly from some of his maneuvers—for example, the involved concealment of the policy of the court proposals, and perhaps also the transparent coyness of the reluctant candidate who was to be "drafted" for a third term by delegates following orders that he was transmitting. In short, the politics of maneuver may not infrequently be most successful when no attention is paid to maneuvering, when, instead, the President takes a line for which he seeks popular support and boldly and frankly insists upon it.

Great works on political institutions have been written by men who were not citizens of the governments which they describe. Mr. Bodley's volumes on France were for some years classic, although they suffered from the fact that the author saw everything French through the colored prism of a belief that the British parliamentary system was perfect. Lord Bryce's "The American Commonwealth" was greeted with acclaim fifty years ago and is still read, although it

now seems stodgy and reportorial and indifferent to factors not within the experience of a Victorian Liberal. President Lowell, endeavoring with considerable success to be an American Bryce, gave us his analysis of the government of England a decade before Mr. Laski became one of President Lowell's colleagues at Harvard. But Mr. Lowell's book expounded and explained and did not attempt to throw problems in bold relief and tell us frankly what the author thought of them.

Mr. Laski does. Hence he will be quoted more frequently, and his judgments will be more vehemently argued about, than was the case with the other authors whom I have mentioned and in whose galaxy Mr. Laski now belongs. The American Presidency faces tests as serious as those faced by the First Lordship of the Treasury in Great Britain or the Presidency of the Council in France. In constitutional arrangements those offices were much more advantaged than the American Presidency is. Some of their recent incumbents did disservice to their countries. The American Constitution does not advantage the Presidency. Its holder, Mr. Laski concludes, "must be given power commensurate to the function he has to perform. It must be given democratically; it must be exercised democratically; but if he is to be a great President, let us be clear that it must be given. . . . For great power alone makes great leadership possible; it provides the unique chance of restoring America to its people."

LINDSAY ROGERS

The Faith of the Fathers

NEW ENGLAND: INDIAN SUMMER. 1865-1915. By Van Wyck Brooks. E. P. Dutton and Company. \$3.75.

IN THE early spring of 1866 a young man named William Dean Howells slips quietly into Boston from the West to receive the laying on of hands from Holmes and Lowell. The curtain rises on the second volume of Mr. Brooks's history of American literature, and for over five hundred pages the long waning of New England's golden day is chronicled with the fullest resources of his affection and research, now enhanced by a drama of decline and melancholy attenuation even more expressly suited to his gifts and sympathies than the story of "The Flowering." Howells becomes the token of the new energies that inherited, administered, and distributed to the nation and the world the legacy of the New England fathers, but he is not the hero of the book. That hero wears a composite mask. Its features still gleam dimly with the rugged inspiration of Emerson, Whittier, and Holmes, but they are clouded by subtler and more complicated emotions—by the graceful disgust of Henry Adams and the alienating curiosity of Henry James, by the homeless sophistication of LaFarge, Norton, Crawford, Perry, and Berenson, by the tough obsessions of Miss Peabody, Mrs. Howe, and Mrs. Eddy and the worldly ardors of Mrs. Gardiner and Mrs. Whitman (for the hero is uncomfortably epicene), by the mockery of Cummings and by the tragic judgments of Robinson, Eliot, and O'Neill. The brow is fretted by secret doubts and unfathomed agonies. The fatal mark of knowledge has touched it. An autumn of disillusion and skepticism chills the surrounding air. The hero, changing his name and

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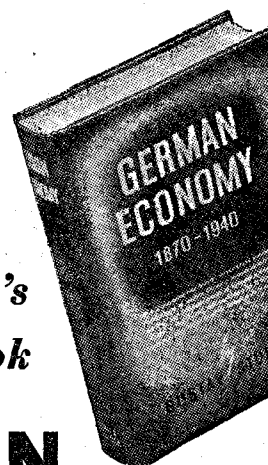
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personality decade by decade, moves through a huge swarm of minor characters, as varied in zealotry and obsession, in fanaticism and charm, in world-reforming ambition and missionary zeal as those in "The Flowering," but his confidence is shaken and his purposes murky. We leave him wearing the stoic cloak of Robert Frost, but he stands at last at the edge of the contemporary wilderness, desperately clutching such shreds of his old defiant spirit, fortitude, and patriotic self-assurance as may give him courage in the grim struggles that lie ahead—beyond 1915.

Mr. Brooks has capitalized to the utmost the pathos and melancholy dignity of this drama. He has lovingly resurrected his hosts of authors and brought the warmth of his intense antiquarian zeal to all their acts and works. His scenes show his superb felicity in genre and milieu. He disinters moldering reputations and brings to light exquisite artists long and unworthily forgotten. His quotations and footnotes alone make his book unrivaled, a trove of discoveries and recognitions. He practices no partisan or critical exclusiveness. He has perfected a new mode in literary ethnology and written one of the richest accounts of the American folk mind in its prodigious cultural manifestations that have ever been attempted. His dramatis personae—writers, editors, scholars, art-collectors, music critics, teachers, painters, historians, reformers, cultists, and missionaries—display the New England temperament in its incredible and preposterous fertility, and if that temperament is here pictured in a condition of slow dissipation and surrender, that fact conforms all the more closely to Mr. Brooks's personal sense of where the true strength of the New England heritage lies, and of what

causes brought about its decay or alienation in the expanding energies of a baffled modern world.

When criticism makes a partner of history, its specific virtue tends to degenerate, and when history is coerced by an argument or an artistic effect, its objective value diminishes and often disappears. Mr. Brooks writes as an artist, and he argues as an apologist. His latest books maintain the theme of his earlier essays in Americanization; his thesis descends from "America's Coming of Age" and "Letters and Leadership." He regards literature as rooted in social life and communal purpose, in the local, realistic, and external conditions that shaped the American national consciousness. He is concerned only secondarily with the forces of character and craftsmanship that determine the specific validity of the written word. His art is that of a realist and a memorialist. His pages are suffused not only with extraordinary beauties of evocation, of delicate verbal and atmospheric synthesis, but with a sentiment of heroic pathos and moral limitations. He suspects the inner life of weakening both civic responsibility and creative endurance, and from this suspicion ensues the pathetic and idealizing sympathy that blurs his discriminations and levels his judgments. It sometimes results in his finely balanced appraisals of clouded talents like those of Twain, Howells, Holmes, and Santayana and in his excellent judgments on minor artists like Rose Terry Cooke, Mrs. Stowe, T. B. Aldrich, Elizabeth Phelps, Celia Thaxter, John de Forest, T. S. Perry, and Amy Lowell, but it also results in his deft misreadings of talents permanently alien to his own, like James, Adams, and Eliot. His achievement is thus limited by the recession of his critical imagination in the sympathies of the historian and of the historian's acumen in the personal strategy of a patriot and an artist.

Yet the virtues by which he redeems his right to these two titles are virtues in which he is rivaled by no one else now writing history in the United States. His equipment of local sympathies, selective acumen, and omnivorous reading makes his pages teem with the realities of American personality and expression. No chronicler has brought a more sensitive instinct for dramatic contrasts and sequences to play on New England life. Mr. Brooks has not inherited the exhaustive aesthetic intelligence of James; he has little of the analytical penetration of Eliot; his tastes are too comprehensive to give him the embarrassed human appeal of Adams; and he is accordingly excluded from exact sympathy with any of these men. He stems rather from an older line of artist historians—from Prescott, Motley, and Parkman. He has inherited their exploring curiosity, their dramatic sensibility, their sense of historic moments and forces, and it is these strong virtues that surmount the admixture of modern fashions in psychological formulation and sentimentalized nationalism in his books. It is impossible to read his present chapter on Parkman without detecting Mr. Brooks's sense of descending from this line, and it is impossible to read his beautiful book without gratitude for the felicity with which he has revived its traditions and made his projected history of American literature one of the certain privileges and landmarks of the American culture he has so nobly defended.

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TO THE INDIES. By C. S. Forester.

Little, Brown and Company. \$2.50.

A full-blooded adventure story, whose setting is the third expedition of Columbus and whose central figure is Don Narciso Rich, legal emissary of King Ferdinand to the New World. Exploration, intrigue, fights with men and beasts, the salt tang of the sea and the steamy fragrance of tropical isles—a smooth summer cocktail, blended with a skilful hand.

COUNTRY GROWTH. By August

Derleth. Charles Scribner's Sons. \$2.50.

Two novellas and eighteen short stories by the author of the various novels of rural Wisconsin life known collectively as the "Sac Prairie Saga." The shorter pieces are the best: earthy, nostalgic, vigorous, good-humored, many of them featuring the headstrong ventures of Great-Uncle Joe Stoll and his testy neighbor Gus Elker, whose shrewdness and blunt tenacity bamboozle even the official representative of the AAA when he tries to interfere in the running of their farms.

ROSSCOMMON. By Charles Allen Smart. Random House. \$2.

A small-scale "Utopia," with a novel formula for presenting its thesis, a scheme for an ideal cooperative agricultural community. Mr. Smart, author of "R. F. D.," invents an idealistic but ineffectual farmer-writer who outlines to him his dreams of what the now dilapidated estate of Roscommon might have become if its resources had been intelligently husbanded and developed for human needs. Like Granville Hicks's recent "First to Awaken," this is more essay than fiction.

THE BREWERS' BIG HORSES. By Mildred Walker. Harcourt, Brace and Company. \$2.50.

A competent, refreshing novel with a Midwestern setting, an aggressive, thoroughly American heroine, and an all-pervading perfume of malt, hops, and yeast. Sara Bolster, who as a child went for a ride on a brewer's dray, grows up to marry the brewer's son despite the opposition of her own snobbish family, courageously manages the business after her husband's death, bucking competition, class prejudice, even Prohibition, and ends happily and conveniently in the arms of a childhood beau.

RECORDS

IN *The Nation* of April 13 I regretted the fact that despite the success of the New York *Post's* small-price-large-quantity sale of records Victor and Columbia still preferred the profits from large-price-small-quantity production—that not only was Victor maintaining its Red Seal prices but Columbia was stepping its Masterworks prices up to the Victor level. Since then Victor has dipped one toe into the water with its Black Label Classics at 75 cents for ten-inch and \$1 for twelve-inch, and now Columbia has taken the complete plunge: where Victor, for the lower prices, offers old recordings previously withdrawn from its catalogue, with a sprinkling of previously unissued recent recordings of its \$1.50 category, Columbia for the same prices now offers everything in its catalogue. Columbia is to be congratulated—and I hope suitably rewarded—for its enlightenment in trying to make more money by enabling more people to buy at lower prices things as superb as Beecham's performances of Haydn and Mozart, the Busch Chamber Players' performances of Bach's Brandenburg Concertos, the performances of Szigeti and Gieseking.

For the lower price one may have Columbia's outstanding August release, its set (M-411, \$4.50) of Beethoven's Piano Concerto No. 4, recorded by Gieseking with the Saxon State Orchestra under Karl Böhm (for the present none of the royalties paid to English Columbia go to Germany). This is a fine set at any price; and that is as much as most people—and certainly those with limited budgets—will want to know. But some will undoubtedly want to know how it compares with the older Victor set, which is one of the great things in the Victor catalogue. The orchestral part is clearer in the Columbia version; but on Victor Malcolm Sargeant achieved one of his better performances with the London Philharmonic; this is recorded with adequate clarity and fidelity, particularly if one can emphasize the treble—which, curiously enough, one has to do also with the Columbia version; also, with the greater fidelity and spaciousness of the new version one gets a little of the sharp, nasal quality of some present-day orchestral recording; and there is occasional overcutting of Gieseking's piano. But what gives the Victor set its distinction is Schnabel's performance of the piano part—one of his finest

achievements; and its superiority over Gieseking's is evident from the first phrase of the piano that opens the work—that phrase which Schnabel makes so quietly and spaciouly meditative, whereas Gieseking makes it brisk, brittle, almost flippant. There are other such passages in the first movement—for example, the one just before the end of the second side, or the one that is heard the last time immediately after the cadenza—in which one notes the subtle tensions and momentums of Schnabel's phrasing as compared with the swift smoothness of Gieseking's, and then notes the difference in the effect, the significance of the music. And in these passages one hears the differences that distinguish the styles of the two pianists throughout the first two movements: the one swift, smooth, plastically rounded and finished, remaining on the surface of the music; the other deliberately, subtly, powerfully detailed in phrasing, in the process of probing deeply into the work (and it is significant that in the first movement Schnabel chooses the longer and musically more impressive cadenza, which he plays in a way that makes this side itself worth the price of the set). In the third movement Gieseking's pace is the more leisurely, and the music has grace and charm, as against the sharpness and sparkle and humor that Schnabel gives it.

Postscripts: Comparing the new Royale set of Schubert's Quartet Opus 161 with the old Columbia version movement by movement, I did not play the last Royale side of the last movement, and therefore did not discover a large cut which eliminates some very fine music and which was not necessary to get the movement on to the two sides. Also, concerning the Lehmann set of Hugo Wolf songs I should have mentioned that one has to reduce the treble a great deal, since the skilful recording job that was done with Povla Frijsh's voice was not done with Lehmann's, and the excessive fidelity does to the signs of age in her voice what glaring lights do to signs of age in a face. And finally an inquiry from a reader reminds me to speak of Oscar Levant's use of the English language, which is sheer massacre.

B. H. HAGGIN

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